

NOTICE OF CLASS ACTION SETTLEMENT

<<PSA ID>>

***Nequasha Potts, et al. v. Dolls Kill, Inc., et al.*
San Francisco Superior Court Case No. CGC19580228**

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants’ records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Notice is designed to advise you of your rights and options with respect to the settlement.

By order of the Superior Court of California for the County of San Francisco (the “Court”), in the case of *Nequasha Potts, et al. v. Dolls Kill, Inc., et al.*, Case No. CGC19580228 (the “Action”), preliminary approval of a proposed class action settlement was granted on February 22, 2021. A hearing shall be held on July 1, 2021 (“Final Approval Hearing”) to determine whether final approval of the Settlement should be granted.

YOU ARE NOTIFIED THAT: A proposed class action settlement has been reached between Plaintiffs Nequasha Potts, Marquis Berry, and Tatiana Benjamin (“Plaintiffs”) and Defendants Dolls Kill, Inc. and Trinet HR III-A, Inc. (“Defendants”) (Plaintiffs and Defendants are collectively referred to as the “Parties”) in the Action, which may affect your legal rights.

I. DEFINITIONS

“**Settlement Class**” means all current and formerly hourly-paid or non-exempt employees who were employed by Dolls Kill, Inc. within the State of California during the Class Period.

“**Class Period**” means the time period from October 23, 2015 through October 1, 2020.

“**Settlement Class Member**” means an individual who falls within the definition of the Class.

II. BACKGROUND OF THE LAWSUITS

The Action was commenced when Plaintiffs Nequasha Potts and Marquis Berry filed a Class Action Complaint for Damages against Defendants on April 26, 2019, in the San Francisco Superior Court. On February 22, 2021, Plaintiffs filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“First Amended Complaint”).

Plaintiffs allege that Defendants failed to properly pay minimum and overtime wages, failed to provide compliant meal breaks and associated premiums, failed to provide compliant rest breaks and associated premiums, failed to timely pay wages during employment and upon termination of employment and associated waiting-time penalties, failed to provide accurate itemized wage statements, failed to maintain requisite payroll records, failed to reimburse business expenses, and thereby, engaged in unfair business practices under the California Business and Professions Code section 17200, *et seq.* as well as conduct giving rise to civil penalties recoverable under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”), with respect to Plaintiffs and other putative class members. Plaintiffs seek, among other things, recovery of unpaid wages and premiums, restitution, penalties, interest, attorneys’ fees, and costs.

Defendants have denied and continue to deny all of the allegations in the Action or that they violated any law and contend that at all times they have complied with the law.

The Parties participated in a full-day mediation with a respected class action mediator, and as a result of the mediation, the Parties reached a settlement. The Parties have since entered into the Stipulation of Class Action and PAGA Settlement and Amendment No. 1 to Stipulation of Class Action and PAGA Settlement (together, “Settlement” or “Settlement Agreement”), which was preliminarily approved by the Court on February 22, 2021. The Court has preliminarily appointed Plaintiffs as representatives of the Class (“Class Representatives”), and has preliminarily appointed the following Plaintiffs’ counsel as counsel for the Class (“Class Counsel”):

Lawyers for Justice, PC
Edwin Aiwazian, Esq.
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Settlement Class Member, **you do not need to take any action to receive a settlement payment**, but you have the opportunity to request exclusion or object to the Settlement if you so choose, as explained more fully in Section IV below.

The Settlement represents a compromise and settlement of highly disputed claims. **Nothing in the Settlement is intended or will be construed as an admission by the Defendants that the claims in the Action have merit or that the Defendants have any liability to the Plaintiffs or to the Settlement Class Members.** Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is appropriate. Plaintiffs and Class Counsel have concluded that the Settlement is fair, reasonable, and adequate, and is in the best interests of the Settlement Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Breakdown of the Settlement

The maximum settlement consideration to be paid by Defendants is Four Hundred Thousand Dollars (\$400,000) (the “Gross Settlement Amount”). \$75,000 of the Gross Settlement Amount has been allocated toward penalties under PAGA (“PAGA Amount”), of which \$56,250 will be distributed to the Labor and Workforce Development Agency (“LWDA”) and \$18,750 will remain part of the Net Settlement Amount for distribution to Participating Class Members.

The portion of the Gross Settlement Amount that is available for payment to Settlement Class Members who do not submit timely and valid Requests for Exclusion (“Participating Class Members”) is referred to as the “Net Settlement Amount.” The Net Settlement Amount is the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) payment of attorneys’ fees to Class Counsel in an amount not to exceed 35% of the Gross Settlement Amount (i.e., not to exceed \$140,000) (“Attorneys’ Fees”) and reimbursement of actual litigation costs and expenses to Class Counsel in an amount not to exceed \$15,000 (“Litigation Costs”); (2) payment in the amount of \$7,500 each (\$22,500 total) to Plaintiffs for their services in the Action (“Enhancement Payments”); (3) payment to the LWDA in the amount of \$56,250 for its seventy-five percent (75%) share of the PAGA Amount (“LWDA Payment”); and (4) payment to Phoenix Settlement Administrators (the “Settlement Administrator”) for costs and expenses of administration of the Settlement in an amount that is currently estimated not to exceed \$15,000 (“Administration Costs”).

Settlement Class Members are eligible to receive a share of the Net Settlement Amount based on the number of weeks worked during the Class Period in which the Settlement Class Member worked for Defendants as an hourly-paid or non-exempt employee in California (“Eligible Workweeks”).

The Settlement Administrator has divided the Net Settlement Amount by the number of Eligible Workweeks of all Settlement Class Members to yield a “Weekly Amount” and then multiplied the Weekly Amount by each Settlement Class Member’s individual number of Eligible Workweeks to yield his or her estimated share of the Net Settlement Amount.

Each Participating Class Member’s share of the Net Settlement Amount will be allocated twenty-five percent (25%) to wages (to be reported on an IRS Form W2) and seventy-five percent (75%) as interest and penalties (to be reported on an IRS Form 1099, if required). Each Participating Class Member’s share of the Net Settlement Amount will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion, resulting in a net payment to the Participating Class Member (“Individual Settlement Payment”).

If a Participating Class Member fails to cash, deposit, or negotiate his or her Individual Settlement Payment check within 180 calendar days of issuance, then, that check will be cancelled and the funds associated with that cancelled check will be transmitted to the State Controller to be held for the Participating Class Member per California Unclaimed Property Law.

Individual Settlement Payment checks will be mailed to Participating Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must make sure to provide your correct mailing address to the Settlement Administrator in a timely fashion, to ensure receipt of payment.**

B. Your Workweeks Based on Defendants' Records

The Workweeks of each Settlement Class Member were calculated based on Defendants' records. According to Defendants' records:

Between October 23, 2015 through October 1, 2020, you worked for Dolls Kill, Inc. in California as a non-exempt employee for <<TotalWeeks>> Eligible Workweeks.

If you wish to dispute the number of Eligible Workweeks credited to you, you must timely submit a fully completed written dispute ("Workweek Dispute") to the Settlement Administrator, postmarked or confirmed received by the Settlement Administrator **on or before May 24, 2021**, at the address listed in Section IV.B below. The Workweeks Dispute must: (1) contain the case name and number of the Action (*Nequasha Potts v. Dolls Kill, Inc.* Case No. CGC19580228); (2) contain your full name, address, telephone number, and the last four digits of your Social Security number; (3) clearly state that you wish to dispute the number of Eligible Workweeks attributed to you and number of Eligible Workweeks you contend is the correct number to be credited to you; and (4) include information and/or documentation showing that the number of Eligible Workweeks you contend should be credited to you is correct.

C. Your Estimated Settlement Share

As explained above, your estimated share of the Net Settlement Amount is based on the number of Eligible Workweeks credited to you. Based on your Eligible Workweeks:

Your share of the Net Settlement Amount is estimated to be \$<<EstSetAmt>>.

Your share of the Net Settlement Amount is subject to reduction for employee's share of taxes and withholdings with respect to the wages portion of the Settlement Share, and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take several months. Your share of the Net Settlement Amount reflected on this Notice is only an estimate. Your actual share of the Net Settlement Amount may be higher or lower than estimated.

D. Released Claims

Upon the Effective Date, the Released Parties shall receive from all Settlement Class Members who do not request exclusion from the Settlement (i.e., Participating Class Members) a release of the Released Claims.

"Released Parties" means Defendants and Defendants' parents, subsidiaries, affiliates, their insurers, attorneys and all agents thereof.

"Released Claims" means any and all claims and causes of action, contingent or accrued, arising during the Class Period from the facts and claims asserted in the First Amended Complaint for wage-and-hour violations, or any other claims or causes of action that could have reasonably been asserted in the Action, based upon the facts alleged for: failure to provide meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime and double time wages; record keeping violations; failure to reimburse business expenses; failure to provide compliant wage statement; failure to timely pay wages during employment and upon separation; unfair business practices; and civil penalties under PAGA, and any other applicable provisions, including the applicable IWC wage orders.

E. Attorneys' Fees and Litigation Costs

Class Counsel will seek Attorneys' Fees in an amount of up to \$140,000 and Litigation Costs in an amount of up to \$15,000 subject to approval by the Court. All Attorneys' Fees and Litigation Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

In consideration for their services and responsibilities in the Action, Plaintiffs Nequasha Potts, Marquis Berry, and Tatiana Benjamin will seek Enhancement Payments in the amount of \$7,500 each, or \$22,500 total, to be paid from the Gross Settlement Amount, subject to approval by the Court. If awarded, the Enhancement Payments will be paid to Plaintiffs in addition to the Individual Settlement Payments that they are entitled to under the Settlement.

G. Administration Costs to Settlement Administrator

Administration Costs are estimated not to exceed \$15,000 for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Settlement Class Members of the Settlement, processing Requests for Exclusion, Objections, and Workweeks Disputes, calculating Individual Settlement Payment amounts, and distributing payments and tax forms under the Settlement. Administration Costs will be paid from the Gross Settlement Amount to the Settlement Administrator, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A SETTLEMENT CLASS MEMBER?

A. Participate in the Settlement

If you want to receive money from the Settlement, you do not have to do anything. Unless you elect to exclude yourself from the Settlement, you will automatically receive your Individual Settlement Payment as indicated above in this Notice, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the claims described in Section III.D. As a member of the Settlement Class, you will not be separately responsible for the payment of attorney's fees or reimbursement of litigation expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement described in this Notice, and do not wish to receive payment under this Settlement, you may seek exclusion from the Settlement by submitting a written request to opt out of the Settlement ("Request for Exclusion") to the Settlement Administrator by mail, that is postmarked **on or before May 24, 2021**, at the following address:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

A Request for Exclusion must: (1) contain your full name, address, telephone number and the last four digits of your Social Security number; (2) be signed by you; (3) contain the case name and number of the Action (*Nequasha Potts v. Dolls Kill, Inc.* Case No. CGC19580228); and (4) clearly state that you request to be excluded from the Settlement.

If the Court grants final approval of the Settlement, any Settlement Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement Agreement (and the release of claims stated in Section III.D above), and will not have any right to object to, appeal, or comment on the Settlement. Any Settlement Class Member who does not request exclusion from the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms of the Settlement, including those pertaining to the release of claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

C. Object to the Settlement

You can object to the terms of the Settlement by mailing a written objection to the Settlement Administrator (“Objection”) that is timely and complete, and you may do so as long as you have not submitted a Request for Exclusion. However, if the Court rejects your Objection, you will still be bound by the terms of the Settlement.

The Objection must be mailed to the Settlement Administrator, postmarked **on or before May 24, 2021**, at the address listed in Section IV.B above.

The Objection must contain: (1) your full name, address, last four digits of your Social Security number, and signature; (2) the case name and number of the Action (*Nequasha Potts v. Dolls Kill, Inc.* Case No. CGC19580228); (3) a clear statement explaining the grounds for the objection, along with all supporting papers; and (4) whether you, or someone on your behalf, intend to appear at the Final Approval Hearing.

V. FINAL APPROVAL HEARING

The Court will hold a hearing in Department 302 of the San Francisco Superior Court, Civic Center Courthouse, 400 McAllister Street, San Francisco, California 94102, on July 1, 2021 at 9:30 a.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to rule on the request for payment of Attorneys’ Fees and Litigation Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to the Settlement Class Members. It is not necessary for you to appear at the Final Approval Hearing.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which can be found at the following web address hosted by the Settlement Administrator: <http://www.phoenixclassaction.com/potts-v-dolls-kill/>.

The Settlement Agreement and other papers are also on file with the Civil Records Division, located at the Civic Center Clerk's Office, 400 McAllister St., Room 103, Window 28 San Francisco, CA 94102-4514.

Some documents and information regarding the Action can also be accessed online for free or at a minimal charge at the San Francisco Superior Court’s website, using the Case Query System, at the following web address: <https://webapps.sftc.org/ci/CaseInfo.dll>. To look up and access documents and information on the Court’s systems, you will need to use the case number of the Action.

PLEASE DO NOT TELEPHONE THE COURT, THE OFFICE OF THE CLERK, OR COUNSEL FOR DEFENDANTS FOR INFORMATION REGARDING THIS SETTLEMENT.

YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER IF YOU HAVE QUESTIONS: (800) 523-5773.

YOU MAY ALSO CONTACT CLASS COUNSEL IF YOU HAVE ANY QUESTIONS.